



Senate Bills 384 and 385



Rick Snyder, Governor
Nick Lyon, MDHHS Director

Putting people first, with the goal of helping all Michiganders lead healthier and more productive lives, no matter their stage in life.

Office of Inspector General



- The Office of Inspector General (OIG) is an agency in the Michigan Department of Health and Human Services (MDHHS). The primary duty of the OIG is to investigate cases of fraud within the Department [MCL 400.43b].

Office of Inspector General



State law requires MDHHS-OIG to perform the following activities:

- Investigate fraud, waste and abuse in the programs administered by the MDHHS.
- Make referrals for prosecution and disposition of appropriate cases as determined by the Inspector General.
- Review administrative policies, practices and procedures.
- Make recommendations to improve program integrity and accountability.

Senate Bills 384 and 385



Trafficking is the buying and selling of food benefits on a Michigan Bridge (EBT) Card. These bills would:

- Provide tools and resources to combat trafficking to enforce the provisions of the Social Welfare Act, ensuring compliance by both recipients and retailers.
- Reinforce program benefits are to be used only as intended; stop the criminals from gaming the system with taxpayer dollars.

Penalties for individuals who are caught trafficking food benefits range from one year to lifetime disqualification from the program. The State of Michigan retains 35% of collections from trafficked food benefits.

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The bills are intended to:

- Authorize the Director of MDHHS to appoint agents within OIG with limited law enforcement authority. Provide that the Director can authorize certain trained agents to carry firearms only in the performance of their duties and only while on-duty.
- Authorize OIG to take enforcement action and initiate disqualification proceedings on retailers intent on illegally trafficking food benefits.

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The bills are intended to:

- Authorize a small contingent of trafficking agents as peace officers to enforce retailer trafficking while on duty.
- Properly train and equip trafficking agents.
 - OIG will leverage fewer than 10 existing staff who are former law enforcement officers.
- Require no additional appropriation.

OIG Fraud Detection & Prevention



In FY 2015, Office of Inspector General (OIG):

- Determined \$140 million of fraud, cost savings and established program disqualifications.
- Completed 45,313 investigations.

Over the last three years, OIG:

- Determined \$381 million of fraud, cost savings and established program disqualifications.
 - Established \$17 million of trafficked benefits, cost savings and program disqualifications.
- Completed 6,371 trafficking investigations.

OIG Agent Training



Trafficking agents will be instructed using curriculum based upon standardized Michigan law enforcement officer training:

- Trafficking agents will receive multiple weeks of tailored training established in the areas of criminal law, subject control, firearms, self defense, physical training, surveillance and first aid.
- Trafficking agents will be trained in traditional law enforcement techniques including undercover operations.
- Trafficking agents will be required to pass proficiency tests annually.



Agent Safety

OIG Benefit Trafficking Unit (BTU) agents operate in some of the nation's most dangerous environments.

- Trafficking agents routinely operate in environments where weapons are present.
- Agents commonly encounter other criminal activities and contraband in the course of their investigations.

For example:

- An agent was blocked in a driveway and confronted by an armed subject, who assaulted her with a firearm.
- An agent was present during a drive-by shooting while interviewing a subject in a trafficking case.
- An agent was assaulted by a suspect who subsequently caused damage to the State of Michigan vehicle.



Weapon found in a store during a search warrant. One store owner was a convicted felon.



Food assistance trafficking is the buying and selling of benefits for cash and/or other prohibited items.



Multiple Bridge Cards found in a cash register during search warrant execution.



Gas station found to be trafficking Food Assistance Program benefits with a very limited inventory and small amount of food available for purchase.



Weapon found behind the counter during the execution of a search warrant.



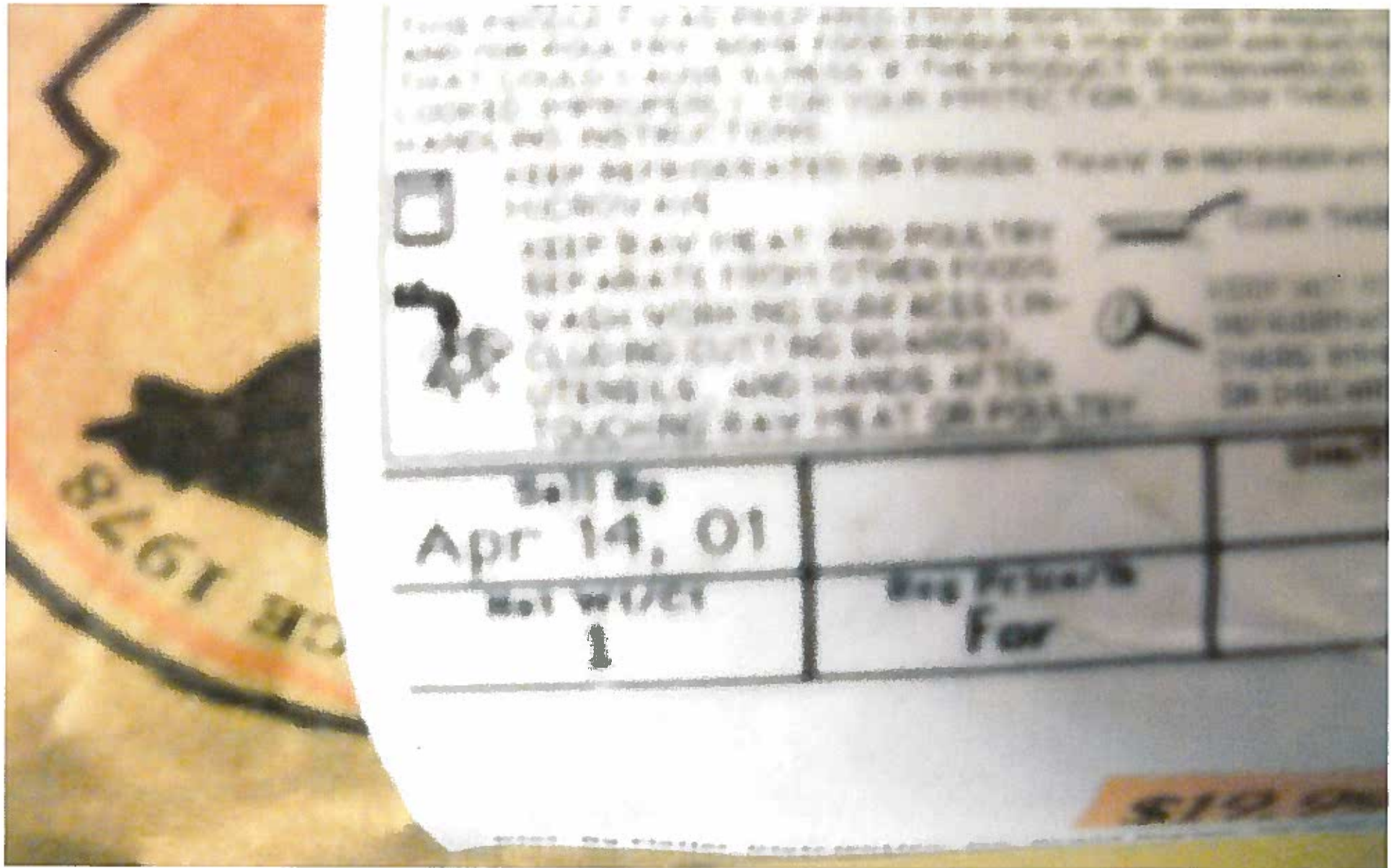
Two inch bullet-proof glass and lack of counter space.
Transactions of \$80-\$200 were common at this location within minutes of each other.



Expired and/or small amounts of meat being sold for \$37.99 each and subjects received synthetic drugs "free with purchase".



Meat cooler at a market investigated for trafficking Food Assistance Program benefits.



Meat that expired in 2001 that was being offered for sale in a store that was raided for Food Assistance Program trafficking in 2011.



\$485 transactions were common at this store with very little counter space and food options.



Storefront of a retailer investigation where \$650,000 in trafficking was identified.

Questions?

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